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REPORT OF THE REGIONAL SURVEY OF EXTERNAL
TRADE STATISTICS

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REPORT OF THE REGIONAL SURVEY OF EXTERNAL TRADE STATISTICS

INTRODUCTION

1. This report presents the results of the Regional Survey of External Trade Statistics carried out at national statistics offices from 17 October 1984 to 31 May 1985.
2. The aim of the survey was to obtain information on the sources and organization of external trade data, coverage, trade systems, commodity classifications, valuation, quantity measurement, partner countries, the construction of index numbers and the processing of data. An attempt was also made to find out whether countries regularly sent their external trade statistics to the United Nations.
3. As the table below shows, 39 replies were received. The replies were, as far as possible, supplemented with information already available at ECA. The tables annexed to this report will be published in statistical bulletin No. 18.

Table 1. Replies to the questionnaires

Subregion	Questionnaires Sent	Questionnaires Returned	Rate of Reply (%)
North Africa	6	4	67
West Africa	16	13	81
Central Africa	10	5	50
Eastern & Southern Africa	13	12	67
T O T A L	50	39	78

SOURCES AND ORGANIZATION OF DATA

4. Out of the 39 countries that participated in the survey, 22 stated that their external trade statistics were compiled by the Central Statistical Office and 13 by the Office of the Comptroller of Customs. But countries such as Burkina Faso, the Central African Republic, Djibouti, Lesotho, Madagascar, Mauritania, Rwanda and Uganda indicated more than one source for the compilation of their statistics without indicating the differences and reasons, if any, for such differences. Having many sources of statistics is a waste of resources and could adversely affect the quality of data and generate several divergent sets of data for the same country.

5. In all the countries, external trade statistics are compiled from basic customs documents on imports and exports. Other documents such as invoices, shipping documents and import licences are only utilized for checking and/or projection purposes.

6. In most cases, basic customs documents that are used for compiling external trade statistics are kept by the customs departments. Only 12 out of the 22 national statistical offices that compile external trade statistics file a copy of the customs documents. Only 17 offices keep a receipt register of customs documents for checking purposes. There are no laid down procedures for consulting files on the customs documents used to compile external trade statistics and often this makes it difficult to cross check data and it is therefore impossible to improve their quality.

7. All the countries produce external trade statistics monthly except the following: the Niger (quarterly), the Comoros, Djibouti, Gabon, Mali and Mauritania (annually). Only 16 countries publish annual data and 26 countries have cumulative data for the monthly and quarterly figures.

8. The recording period for compiling external trade statistics is based on the date of customs clearance of the merchandise for 57 per cent of the countries, the date of entry or exit of goods for 12 per cent, the date of arrival of basic customs documents at the office of the statistical compiler for 10 per cent and the date of payment of customs duties for 5 per cent. Mali and Sierra Leone^{1/} use the date of customs clearance and date of arrival of basic customs documents at the statistics departments while Mauritius uses the date of entry or exit of the goods as well as the date when duties are paid, depending on the goods.

9. The reference period for annual statistics is the calendar year in all countries except Gambia and Swaziland where it begins on 1 April. Since monthly figures are available in both countries, statistics for the calendar year can easily be obtained.

10. Twenty-eight countries or 72 per cent revise the published figures when necessary. The following countries: Libyan Arab Jamahiriya, Liberia, the Comoros and Malawi indicated that they did not make such adjustments. Such adjustments affect the annual figures for 14 countries, current figures (monthly, quarterly) for 12 countries and cumulative figures for nine countries. Cameroon, Mauritius and Swaziland indicated that they revised all their published statistical data when necessary.

^{1/} Date of customs clearance in Free Town and date of arrival of basic documents at the statistics departments elsewhere.

Table 2.11 Average Number of Months Needed to
Compile and Publish Statistical Data

Data	Monthly	Quarterly	Half-yearly	Yearly
Compilation	2	3	3	5
Publication	2	2	<u>2</u> ^{2/}	6
TOTAL	4	5	11	11

11. On the average, nearly three times as much time is required to compile annual data than is required to compile monthly data. But there are wide differences between countries. In Tunisia, for example, it takes only an average of three weeks to compile annual data and about three weeks to publish monthly data. In Somalia, on the other hand, it could take up to a year to compile monthly data. The above-mentioned time frames concern all the stages of compilation (collection, processing, reporting) of statistics. With respect to collection, customs documents acceptance procedures and goods inspection procedures are sometimes unusually long. The time it takes to send basic documents for compiling statistics to the departments concerned is also unusually long. With respect to data processing, including electronic data processing, there is not always a system for recycling errors and thus avoiding having to enter rejected declarations again. Dissemination is still carried out through paper media such as bulletins and year books which are being developed slowly. Broadly speaking, customs formalities have not been computerized.

12. Twenty-eight or 72 per cent of the countries that provided the information required have annual publications. Four, thirteen and fifteen countries have half-yearly, quarterly and monthly publications respectively. In addition, 12 countries combine monthly and yearly publications while eight others have quarterly and yearly publications.

COVERAGE

13. International recommendations^{3/} indicate the types of goods which should be (a) included in statistics; (b) included in or excluded from statistics but also separately recorded, and (c) excluded from statistics in the following manner:

^{2/} The figure provided by the Libyan Arab Jamahiriya.

^{3/} International Trade Statistics, Concepts and Definitions, series M. No. 52, Rev. 1.

A. Goods to be included in the statistics

1. Non-monetary gold;
2. Trade on Government account;
3. Military goods;
4. Electricity and water;
5. Postal items;
6. Trade in marine vessels;
7. Transactions in which one or both national boundaries are not crossed;
8. Trade in marine vessels and aircraft;
9. Trade in bunkers and fish;
10. Trade in drilling rigs and of mined products to and from international waters.

B. Goods to be included in or excluded from the statistics but, if possible, also separately recorded

1. Improvement and repair trade;
2. Goods on lease.

C. Goods to be excluded from the statistics

1. Goods consigned by a Government to its armed forces and diplomatic representatives abroad;
2. Monetary gold;
3. Securities, bank notes and coins in circulation;
4. Goods on temporary admissions.

14. With respect to the types of goods to be included in the statistics, the percentage of countries which actually include them in their statistics varies between 44 per cent (for trade in drilling rigs and of mined products to and from international waters) and 92 per cent (transactions which represent a service transaction). Only about 22 and 29 per cent of the countries respectively record improvement and repair trade and goods on lease separately in accordance with international recommendations. With respect to goods to be excluded from the statistics, only 29 per cent exclude goods on temporary admission. More than 72 per cent of the countries follow the international recommendations with respect to the other goods to be excluded. This disparity in coverage obviously makes it impossible to compare the external trade statistics of the region.

Table 3. Percentage of countries that include,
record separately or exclude types of
goods in or from their statistics

	Included (%)	Recorded Separately (%)	Excluded (%)
A. <u>Types of goods to be included in the statistics</u>			
1 ^{4/}	74.0	3.2	22.2
(for the other figures 2-10 see French text)			
B. <u>Types of goods to be included in or excluded from the statistics but recorded separately</u>			
1	32.2	21.7	46.1
2	33.1	23.6	33.3
C. <u>Types of goods to be excluded from the statistics</u>			
1	17.6	0.4	82.0
2	19.0	0.1	80.9
3	27.1	-	72.9
4	57.1	14.3	28.6

^{4/} The figures under items A, B and C of table 3 are similar to those under items, A, B and C of paragraph 13. They correspond to the numbers of types of goods.

SYSTEM OF EXTERNAL TRADE

15. Two systems are generally used for external trade. The main difference between the two is how warehoused and re-exported goods are recorded. The two systems are defined as follows:

(a) Special trade

- (i) Special imports comprise imports declared directly for home use from abroad and from national free zones or free ports; imports declared for inward processing in warehouses for inward processing; imports declared for home use into ex-customs warehouses.
- (ii) Special exports comprise exports of goods of national origin; exports from warehouses for inward processing; re-exports of imported goods in free circulation.

(b) General trade

- (i) General imports consist of imports declared directly for home use; imports into warehouses for inward processing; imports into customs warehouses and free zones or ports.
- (ii) General exports consist exports of goods of national origin; exports from warehouses for inward processing; re-exports of imported goods in free circulation; exports from customs warehouses and free zones. Statistics on special trade and general trade also exclude direct transit trade, i.e. the movement of goods through a country for transport purposes only.

16. The information available on 50 African countries indicates that 28 of them use the special system as far as external trade statistics are concerned and 22 use the general trade system. Countries such as Cape Verde, Ethiopia, the Niger, Nigeria, Somalia and Togo include direct transit trade in their statistics but only Ethiopia, Nigeria and Togo also record such trade separately.

COMMODITY CLASSIFICATIONS

17. A number of standard classifications are used to classify goods; each classification has a specific objective. Each classification was prepared and published at the international level in order to permit a newly complete harmonization between all goods classifications. The international level is the minimum needed in terms of details required on commodities to permit comparisons of statistical data from various countries.

18. Various versions of two main classifications schemes are used for external trade statistics; the Tariff Nomenclature (BTN) of the Customs Co-operation Council formerly known as the Brussels Tariff Nomenclature and the Standard International Trade Classification (SITC). BTN is an internationally agreed nomenclature in which articles are grouped according to the nature of the material of which they are made. Consequently, data based on BTN must be rearranged in order to provide economic statistics for economic analysis. Under SITC, commodities are grouped so as to record the degree of Processing. Classification by broad economic categories (BEC) facilitates for example the economic analysis on the end-use of external trade statistics.

19. As far as customs tariffs are concerned, most countries (16) use the 1955 version of BTN or a classification scheme based on BTN (13 countries). The classification schemes of 9 other countries are based on one or the other of the versions of SITC. Mali's classification scheme is based on NIMEXE which is a classification scheme currently used by the European Economic Community (EEC).

20. Twenty-five countries use a version of BTN or a classification scheme which is derived from it to compile their external trade statistics while 15 others base their compilation on one of the various versions of SITC.

VALUATION

21. The value of import transactions is generally the cost, insurance and freight (c.i.f.) value, i.e. the sales value of the goods plus transport and insurance costs up to the frontier of the country of import and including off-loading costs, if any, at the frontier. However, for the following 11 countries: Benin, Botswana, Burkina Faso, Cameroon, the Central African Republic, Lesotho, Madagascar, Mozambique, the Niger, Sudan and Swaziland, the declared c.i.f. value also includes customs duties and other customs charges.

22. Exports are generally valued free on board or free on rail or road vehicle at the frontier of the country of export. The f.o.b. value is the sales value declared by the exporting country plus, if any, transport and insurance costs to put the goods on board the vehicle that will transport them to the frontier of the country of export. The f.o.b. value also includes export duties, internal taxes and similar charges imposed in the country of export in so far as they in fact remain charged on the goods exported. The following countries: Angola, Burkina Faso, Cape Verde, the Comoros, Djibouti, Madagascar, Mozambique, the Niger, Sudan and Swaziland exclude export duties and/or other internal taxes from the f.o.b. value.

23. Unrecorded trade (frontier trade, smuggling, etc.) is generally not taken into account. Similarly, revisions of declarations or statements of disputes are not taken into account. Errors with respect to values are not always discovered during processing including even computer processing.

QUANTITY MEASUREMENT

24. Units of quantity are useful for international transactions on goods because they help avoid valuation problems of multiple exchange rates and inflation. They also help to check the reliability of data and are used in the construction of index numbers. When the quantity of goods is expressed in any unit or units of measure other than weight, an estimate of the average weights of each unit or multiple of units should be used preferably by calculating the net weight which is more useful for economic analysis. The use of weight as a measure of quantity facilitates international comparability.

25. Practices in the various countries differ so much that when quantities of goods are expressed in units of measure other than weight, it will be found that only 15 countries always record weight while seven countries only record weight sometimes and eight never. As far as measuring quantities of goods in terms of weight is concerned, 21 countries express such weight in terms of net weight and only two, Lesotho and Togo, express it in terms of gross weight. On the other hand, nine countries record weight both in terms of gross weight and net weight. Where transactions on ships are concerned, 16 countries record the number as a unit of quantity. Cape Verde, Madagascar, the Niger and Rwanda also use gross registered tons while the Côte D'Ivoire, Nigeria, Togo and Tunisia use net registered tons. With respect to the measurement of the number of passenger aircraft, 21 countries record the number of planes. In addition, Tunisia uses gross registered tons. In the case of cargo planes, 18 countries measure quantity by the number of aircraft. Four countries, Burundi, Mauritania, Nigeria and Tunisia use the carrying capacity; Tunisia is the only country that has indicated that it uses both systems of measurement.

PARTNER COUNTRY

26. Countries could have more than six definitions regarding the production, supply, sale, purchase, procurement and consumption of commodities on which international transactions are carried out. Obviously differences in definition and types of recording of partner countries are one of the major reasons for the non-comparability of external trade statistics. With respect to imports at the international level, it is recommended that the country of origin should be recorded and the country of consignment should also be recorded, if possible, for supplementary information purposes. With respect to exports, it is recommended that the country of final destination should be recorded.

27. Import statistics are compiled according to country of origin for 27 countries, according to country of consignment for 12 countries and country of purchase for six countries. Eight countries, namely Cameroun, the Central African Republic, Djibouti, Ethiopia, Madagascar, the Niger, Sierra Leone and Tunisia stated that they record growth statistics according to country of origin and country of consignment; in addition, Ethiopia records the country of purchase.

28. Thirty countries compile export statistics according to countries of last known destination. The following three countries: Ethiopia, Mauritania and Tunisia record their exports according to countries of sale.

INDEX NUMBERS

29. In international trade statistics, index numbers are very useful first of all because they can be constructed in various ways depending on the aim of the builder and also because they are simple numbers without units (currency, weights, unit of volume, etc.). They therefore make it possible to evaluate international trade trends even if there are no perfect indices.

30. Twenty-eight countries indicated that they computed external trade indices. The standard classifications or categories used for this calculation are: one of the various versions of SITC (8 countries), other classifications that are not specified in the replies from the following countries: Burkina Faso, Morocco, Mauritius, Senegal and Tunisia. Malawi uses a classification based on Broad Economic Categories (BEC) and Zimbabwe the International Standard Industrial Classification of all economic activities (ISIC).

31. Fourteen countries calculate volume indices from the Laspeyres formula and two countries, Liberia and Mauritius, from the Paasche formula. Ethiopia, Zambia and Zimbabwe are the only countries that indicated that they use the "ideal" Fisher formula for calculating external trade indices. Three countries, Burkina Faso, Cameroun and Morocco compile volume indices independently while the Gambia, the Libyan Arab Jamahiriya, Senegal and Tunisia compile unit value indices independently. Ethiopia, Liberia, Mauritius, Nigeria and Zambia compile all their indices independently.

32. With respect to the compilation of export indices, five countries, Burkina Faso, Morocco, Sierra Leone, Tunisia and Zimbabwe take into account all exports including re-exports while 13 countries only consider national exports. With respect to imports, 13 countries take into account only the retained imports, i.e. general imports less re-exports for the calculation of indices as against 5 countries, Burkina Faso, the Gambia, the Libyan Arab Jamahiriya, Liberia and Tunisia which take all imports into account.

33. For most of the countries the coverage of all export indices is 35 per cent. For the Libyan Arab Jamahiriya Togo and Seychelles the coverage of the unit value index is between 51 and 75 per cent as against 85 per cent for the volume indices. Only 7 out of the 17 countries that provided the information required make adjustments of indices for incomplete coverage.

34. Seventeen countries have fixed index bases. The Libyan Arab Jamahiriya and Zimbabwe use chained indices. The base year is before 1970 for three countries, Cameroun, Uganda and Togo and after 1979 for three others, Malawi, Tunisia and Zimbabwe. Zambia uses the period 1969-1973 as a base for its indices and has been attempting since 1980 to construct chained indices.

35. With respect to terms of trade, four countries, the Libyan Arab Jamahiriya, Malawi, Nigeria, and Tunisia calculate the gross terms of trade and seven countries namely the Gambia, the Libyan Arab Jamahiriya, Liberia, Morocco, Mauritius, Togo and Zimbabwe calculate the net terms of trade.

DATA PROCESSING

36. Twenty-one out of the 23 countries on which information on data processing is available process external trade data by computer. Rwanda is in the process of computerizing the processing of external trade data; the Comoros intends to do the same.

37. Twelve countries indicated that the basic documents used in the compilation of statistics are pre-coded for direct data entry as against 12 others for which such documents have not been pre-coded.

38. The central processing unit used for processing external trade statistics is lodged within the compiling agency for 15 countries. In 11 countries it is not located within the external trade data compiling agency. Somalia's external trade data are processed in Sweden while those of the Seychelles are processed in Hong Kong. For six of the eleven countries that do not have a central processing unit in their agencies that compile external trade data, the average percentage of time devoted to processing external trade data is only 15 per cent.

SENDING OF STATISTICS TO THE UNITED NATIONS

39. As of October 1985, the number of countries whose external trade data were available at the United Nations (recording tapes, microfiches or national publications) was as follows: 27 in 1980, 23 in 1981, 12 in 1982 and five in 1983. It therefore appears that there is a problem in sending external trade statistics to the appropriate agencies of the United Nations.

40. Of the 20 countries that replied to the question concerning the regular despatch of their external trade statistics to the FCA Statistics Division and/or to the International Trade Statistics Section of the United Nations Office at Geneva, only 11 countries namely, Ethiopia, the Libyan Arab Jamahiriya, Lesotho, Madagascar, Malawi, Niger, Seychelles, Sierra Leone, Somalia, Swaziland and Zambia indicated that they regularly sent their external trade statistics to the two agencies concerned. Moreover, the Central African Republic, the Comoros, the Congo and Mauritania indicated that they only send in such statistics at the request of the above-mentioned agencies. Lesotho, Madagascar, Mauritius, Swaziland and Zambia send such statistics annually while Seychelles sends them quarterly and Zimbabwe monthly.

CONCLUSIONS

41. The compilation of external trade statistics poses a number of problems at the national and international levels. At the national level, the problems involved mainly concern the quality of data and how they can be quickly made available to users; the problems could be solved by taking measures such as making customs departments aware of the importance of statistics (other than statistics concerning the collection of customs revenues...) in order to improve documents acceptance procedures and procedures regarding the inspection of goods; computerizing customs procedures; developing methods for editing missing declarations, systems of recycling errors and processes for taking into account adjustments of declarations and the outcome of disputes.

42. At the international level, the problem of comparability of external trade statistics of African countries is still the most important one. The question of aggregating such statistics at the regional level then naturally crops up because methods of compiling them vary considerably from country to country and with respect to international recommendations.

43. It is true that the adoption of international recommendations depends to a large extent on the administrative requirements of the various countries. This is particularly due to the fact that the agencies of the countries that are the sources of external trade data are the ones that generally control legislation on the types of information to be collected and made available to the statistics departments. However, countries should bear in mind the usefulness of having a minimum framework for the presentation of external trade statistics in line with international standards in order to permit comparability otherwise they might not have enough information to hold discussions with international agencies or other countries on development and international trade promotion programmes and agreements in the area of financing.



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TRANSPORT PRICES IN AFRICAN CONSUMER PRICE INDICES:

SOME GUIDELINES*

* This is the summary of a paper published in the Statistical
Bulletin No. 13

C O N T E N T S

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TRANSPORT PRICES IN AFRICAN CONSUMER PRICE INDICES: SOME GUIDELINES*

INTRODUCTION

1. As countries develop economically and technically, the field of transport becomes more and more important. Consequently, there is a growing need for information about developments in the transport sector. In this paper some problems of the implementation of transport prices into the consumer price index of African countries are discussed.

2. In spite of the growing importance of the transport sector in many countries, many African countries still do not include the commodity group 'transport' in their consumer price indices. Possible reasons for this are:

- difficulty in measuring prices in parts of the transport sector accurately
- problems of finding adequate weights for the commodity group
- for some countries the transport sector may still be of limited importance

CLASSIFICATION OF THE COMMODITY-GROUP TRANSPORT

3. A classification scheme for the different kinds and qualities of transport in a particular country must of course reflect the conditions of the country concerned. At the same time, however, it should, if possible, facilitate international comparisons. The classification scheme set out in table 1 was developed within the framework of the International Comparison Project for Africa (ICP-Africa) and meets both objectives.

Table: Subgroup headings for commodity group transport*

61	<u>Purchase of vehicles</u>
611	Cars
612	Cycles and mopeds
62	<u>Operation of personal transport equipment</u>
621	Tyres and tubes, spare parts and accessories
622	Charges on maintenance and repairs
623	Petrol, oil and grease
624	Other expenditure on personal vehicles

- 63. Purchase transport
- 631 Local transport
- 632 Long distance transport
- 632.1 Road transport
- 632.2 Rail transport
- 632.3 Air transport

* Source: Final household consumption, statistical office of the European Communities, ICP-Africa/II, Luxembourg.

Under each heading a list of items representing the corresponding subgroup can be found in the original publication (The full list of items for the commodity group transport is also published in the Statistical Information Bulletin No. 18). For some countries the deletion of subgroup heading may be advisable if some subgroups are not important. However, this list of classifications can serve well as a common frame for African countries.

CALCULATION OF THE WEIGHTS

4. Rough estimates for the relative importance of the subheadings 61 (purchase of vehicles), 62 (operation of personal transport equipment), 631 (local transport) and 632 (long distance transport) will usually be available from household expenditure surveys. In order to calculate weights for more detailed subheadings other sources of data have to be exploited. These for example may be: Transport statistics, Statistics of private motor vehicles licensed (by type and make), Import statistics (about vehicles and spare parts), Statistics on local production of spare parts and vehicles, Statistics about the number of taxis and buses in use. As sources of information are different for each country no general rules for the calculation of subgroup weights can be given. In most cases rough estimation procedures will have to be used in addition to the data already available.

COLLECTION OF PRICES

5. Before prices can be collected, the items to be priced have to be selected. When selecting items for pricing, the aim should be to select them in such a way that they represent the non-selected items of their corresponding subgroup.

Selection of items

6. If a list of relevant items exists, this may be achieved by random sampling. Also the list of items and item definitions established for the ICP may serve as a sampling frame, provided that the necessary modifications are performed on it.

Methods of reporting prices in the transport sector

7. There are several ways of reporting and collecting prices:

- (a) Reporting by outlets, trade associations and enterprises
- (b) Price inquiries by agents of the statistical agency
- (c) Price collection by purchasing and/or bargaining

Most of the prices for items in the transport sector can be collected by methods (a) and (b), which is very desirable, because these methods require less manpower. For all sectors of public transport where prices are controlled (and this control is known to be working) and for the government-owned sector of public transport method (a) is applicable. One method is to ask enterprises to report changes in their fares by letter or telephone call to the statistical office. In other sectors, it may be necessary to apply methods (b) and (c). As method (c) of collecting prices can cause serious problems, it should be avoided, unless prices are significantly affected by bargaining.

Sampling problems

8. If the index is to cover the whole country, and regional differences in price trends thought to exist, price collection has to take place in the different regions. If price trends for different regions can be assumed to be similar, it may be possible to restrict price measurements to one region. It should be emphasized that only price trends (but not necessarily price levels) have to be the same.

9. The question of which respondents to select can be easily answered for large public transport enterprises. Usually their number will be small, so they can all be selected. If, however, it is decided to take a random sample of these enterprises, a list of them can serve as a sampling frame. In other areas where the number of outlets is too large, probability sampling may be applied (if there is a list of outlets). If a list of outlets does not exist, purposive sampling has to be used.

SOME SPECIAL PROBLEMS

Seasonal non-availability

10. Transport services performed on roads which are not all weather roads may not be available for a limited period of time.

If there are other items in the subgroup which are available during this period, their percentage price increase can be used in order to extrapolate the current price relative for the item which is not available. (Merely including it at the last recorded price is likely to bias the index).

Quality differences

11. When a new product is introduced into the market and the old product is also available, the two products are assumed to be competing and the quality difference is taken to be proportional to the price difference. If the old product service disappears from the market there may be cases when it may be advisable to neglect this increase of quality and treat it as a price increase. This may be the case for the low income group which may have no choice as to the quality.

Checking representativity of selected items

12. When a country decides to include transport prices in the CPI, it may consider to collect detailed price data in order to check for representativity of the selected items. The following procedure may be used to check representativity:

- (a) Estimate standard deviation of the price relatives from the detailed data;
- (b) Calculate difference between the index derived from the detailed data and the price relative of the item under consideration; and
- (c) Consider the item as non-representative if this difference is larger than
 - one standard deviation if the weight of the item (subgroup) is large
 - two standard deviations if the weight of the item (subgroup) is moderately large
 - three standard deviations if the weight of the item (subgroup) is small.

Classification of weights into large, moderately large and small will in general depend on the weights of the CPI concerned. One could take 10%, 5% and 2%. This procedure may, of course, also be applied to benchmark data collected some years after the introduction of transport prices into the CPI.

COMPILATION AND PUBLICATION OF THE INDEX

13. Almost all African countries use the Laspeyres formula, which is also recommended here. A major revision of the weights will usually be carried out using data obtained from a new household expenditure survey. If, however, transport statistics suggest that significant shifts in expenditure within the commodity group have taken place, these statistics can be used to revise subgroup weights.

14. Prices of items under subheadings 61 (purchase of vehicles), 62 (operation of personal transport equipment) can be expected to behave differently from prices of items under subheading 63 (purchased/public transport). Countries collecting prices for a sufficient number of items under these subheadings may be considered producing indices for subheadings 61, 62 and 63 separately.

SUMMARY OF RECOMMENDATIONS

15. The classification scheme of the transport sector set out in table 1 is proposed as a guideline for selection of items. Subheadings which are considered to be unimportant can be neglected. For the remaining subheadings a list of items is established which can be used as a sampling frame for the selection of items. The list of items worked out by the ICP-Africa could form a useful basis for this purpose.

A possible first step

16. If category 63 (purchased transport) is mainly provided by publicly owned and large private enterprises, the introduction of purchased transport into the CPI should not cause major problems, as prices in this area are easy to collect. It may also be possible to include one or two items provided by small private enterprises in order to see if price trends in this sector differ from those of large enterprises. If a price index on category 63 (purchased transport) is compiled its coverage should be clearly stated in corresponding publications as price index on 'purchased transport'.